

**OFFICIAL PROCEEDINGS OF THE BOARD OF
TRUSTEES
CITY OF LANSING
EMPLOYEES' RETIREMENT SYSTEM**

COPY

Regular Meeting
City Council Conference Room
10th Floor, City Hall
Lansing, MI

May 17, 2012
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:44 a.m.

Present: Dedic, Munroe, Parker, Rose, Taylor - 5
Absent: Trustee Bernero, Kraus, McCaffery, Wood

Others: Karen E. Williams, Finance Department; Attorney Kenneth Lane, Clark Hill
(representing the City Attorney's Office); John Jackson, Asset Consulting Group;
Karen Earley, Greg Stump, EFI Actuaries.

It was moved by Trustee Rose and supported by Trustee Parker to approve the Official
Minutes of the Employees Retirement System Board Regular Meeting of April 19, 2012.

Adopted by the following vote: 5 - 0

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0
transfers, 5 retired. Total active membership: 461. Total deferred: 65. Refunds
made since the last regular meeting amounted to \$0.00. Retirement allowances
paid for the month of April 2012, amounted to \$1,696,873.29. Total retirement
checks printed for the ERS System: 848. 4 death(s). Arlan A. Perry, died
4/19/2012, (UAW, 7/24/1992), age 72, no beneficiary; Geraldine E. Chapela,
died 4/20/2012, (District Court 6/26/1993), age 81, beneficiary to receive 50%;
Shirley E. Shafer, died 4/27/2012, age 86, spouse of UAW retiree; Virginia
Guernsey, 4/30/2012, (District Court, 3/1/1987), age 89, no beneficiary. Eligible
domestic relations orders received: 0. Domestic relations orders pending: 0.
Eligible domestic relations orders certified: 0.

It was moved by Trustee Taylor and supported by Trustee Parker to approve the
following Requests for Regular Age and Service Retirement:

Melanie Pollard, Police(Civilian)/FOP 911 – 7 years, 1 months, age 61, May 1,
2012 (Deferred Reciprocal Retirement Act Service 5 years, 1 month)

Jean A. Proseus, District Court Teamster – 22 years, 4 months, age 63, May 12,
2012. (Old Plan – 65 points).

Adopted by the following vote: 5 – 0.

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Ms. Karen Williams reported to the Employees Retirement System Board that Applicant #2012 – E0517 has applied for a duty disability.

Trustee Dedic referred the Applicant #2012-E0517 to the disability subcommittee.

Adopted by the following vote: 5 - 0

There were no requests for Non-Duty Disability retirement.

It was moved by Trustee Parker and supported by Trustee Taylor to approve the following request for Refund of Accumulated Contributions:

Ryan Kirkpatrick, FOP 911, \$2,954.94

Adopted by the following vote: 5 – 0.

It was moved by Trustee Rose and supported by Trustee Munroe to excuse Trustee McCaffery and Trustee Wood from the Retirement Meeting of May 17, 2012.

Adopted by the following vote: 5 – 0.

Trustee Park Parker provided a review of the NCPERS Conference and the Due Diligence Visits with Prudential and MD Sass. Mr. Parker found the trip very educational and informative. Trustee Rose added the due diligence visits with Prudential was impressive and that MD Sass and the trustees that attended had a good meeting.

Karen Williams reminded members that the MAPERS Spring Conference was scheduled for May 20 – 22, 2012.

Karen Williams announced that Asset Consulting Group was sponsoring a luncheon to discuss Private Market Opportunities for its Michigan Clients, Thursday, June 7, 2012 at the University Club of Grand Rapids.

Mr. Gregory Stump and Ms. Karen T. Earley presented the City of Lansing Employees Retirement System Actuarial Experience Study for the period of January 1, 2005 through December 31, 2010. Ms. Earley provided an executive summary and reviewed service retirements, terminations, disability rates, and mortality. Ms. Earley recommended that the ERS Board adopted an updated mortality table. Mr. Stump provided recommendations for the assumption rates for active decrements, longevity and promotion pay increases.

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Mr. Greg Stump reviewed the current economic assumptions and provided recommendations to update the inflation rate, and investment returns. Mr. Stump reviewed EFI's recommendation to move to a closed amortization method.

Attorney Ken Lane provided a legislative update to Public Act 314. Attorney Lane updated the ERS Board regarding the status of the ERS Retirement Ordinance. The ERS Ordinance is under review by the City Attorney's Office. Attorney Lane explained that there were unique retirement eligibility questions that have arisen regarding members who in the old plan who transfer to different bargaining units under the new plan.

Trustee Rose provided a review of the Trustee educational training session and recommended that the Board add an Emerging Markets Manager to its portfolio. Mr. John Jackson provided an explanation of Emerging Markets and how this strategy would complement the ERS Board's asset portfolio. Mr. Jackson suggested 1 ½ percent of the portfolio be allocated to Emerging Markets.

It was moved by Trustee Rose and supported by Trustee Munroe to have Asset Consulting Group provide a list of Emerging Markets managers for the ERS Board to consider for interviews.

Adopted by the following vote: 5 – 0.

Karen Williams distributed a draft posting for the City Trustee election on the Employees Retirement System Board. The term would expire June 30, 2016. Members of the Public Service Department or the Parks, Planning & Neighborhood Development are ineligible to run from the position.

Trustee Carol Wood expressed concern because the Central Garage would be moving under Public Service. Trustee Wood suggested that the election be held prior to the July 1, 2012 reorganization of City Departments.

Attorney Ken Lane opined that the ERS Board does have the authority to determine dates and amend its election policy.

It was moved by Trustee Wood and supported by Trustee Parker to hold the City Trustee election for Employees Retirement System Board prior to July 1, 2012 before the City Departments are reorganized, with dates to be determined.

Adopted by the following vote: 5 -0.

Trustee Rose also suggested that the Board consider Hedge Fund investments at its next meeting and consider a due diligence trip to Northern Trust.

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Trustee Dedic informed the ERS Board that there was concern that the City used another actuary instead of the Board's actuary, EFI. Trustee Dedic asked if the Finance Director had spoken to EFI regarding the matter. Mr. Greg Stump stated that he did speak with Angela Bennett informed her that EFI would review the work done by the other actuary.

Karen Williams reviewed the Securities Lending Monthly report for April 2012.

The meeting adjourned at 9:52 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System